

Treasury Notes



OFFICE OF THE STATE TREASURER OF WISCONSIN

Volume 1, Issue 9

October 15, 2011

The Big Board

Local Gov. Investment Pool - Sept. 2011

\$2,466,564,281	Avg. Daily Balance
\$539,415,117	Total Deposits
\$820,137,210	Total Withdrawals
\$225,692	Interest Earnings

College Savings Plan—September 2011

1,301	New Accounts
262,882	Total Accounts
\$2,465,196,302	Program Value

Board of Commissioners of Public Lands (numbers approx) - September 2011

\$840,000,000	Assets or Principal
76,260	Acres under Stewardship
\$100.9 million	Aid to Public School (2008-2011)

Unclaimed Property (numbers approx.)

September 2011

\$381,329,559	Program Value
1,773,107	Number of Accounts
\$2,583,539	Claims Paid Sept. 2011
2,319	Claims Sept. 2011
\$24,513,238	Amount in Claims Paid (since start of 2011)
21,249	Number of Claims Paid (2011)
\$4,480,905	Amount Remitted from Holders (2011)
2,210	Holder Reports (2011)

The State Treasurer of Wisconsin and his dedicated staff continues its duties of finding thousands of residents who are owed millions of dollars in unclaimed property. We will also continue to update the public on the Local Government Investment Pool as well as *EdVest*, and the importance of saving early for your child's education. The Treasurer will also continue his constitutional duties as a Commissioner on the Board of Commissioners of Public Lands.

T-Notes is a newsletter provided to Legislators, their staff and the Media to provide them with information regarding this office and the important work the staff of Office of State Treasurer does daily for the citizens of the state.

Nearly \$1,000,000 Returned in One Day!

Our claims examiners work extremely hard to return as much money as possible everyday—the last 6 years of record breaking returns proves that! Monthly, we return, on average, \$2.7 million per month. That's why we are ecstatic to report a **ONE DAY re-**

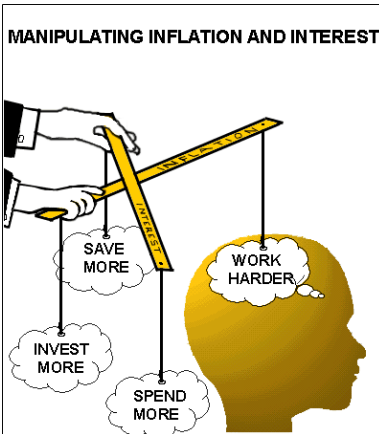
turn of \$973,7783.94! What made the October 5th return so large? **A huge claim from a Milwaukee man for \$733,982.72!** The unclaimed property belonged to this man's mother in the form of stocks. She had passed in 2002. The paperwork and proof needed to ensure the

money was going to the rightful heir can be cumbersome, but after everything checked out, Treasurer Schuller hand delivered the check to the Milwaukee man and his family! There were several other large claims paid out that day as well...but a majority

of the claims were the usual \$50 to \$1,000 claims we see most of the time. Have you searched? Just check at www.statetreasury.wi.gov, type in your last name and see if you are missing money!

Treasury Notes

The Economy and You: What is Inflation?



**"IT IS IMPORTANT
TO NOTE THAT
NOT ALL PRICE
INCREASES
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INFLATION IS
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FACTORS"**

Typically, when you ask someone what inflation is, they respond it is the rise in prices that makes my money worth less. In most respects, this description can be considered fairly accurate. Inflation is the increase in overall price level of goods and services in our economy.

It is important to note that not all price increases constitutes inflation. Prices of individual goods and services are determined by the supply and demand of the free market. When prices of some goods rise while others fall, these are *relative* price changes. Inflation occurs when there is an increase in the *overall* price level. Therefore, a price increase of a specific good or service you buy does not indicate inflation.

Economists measure the overall price level by looking at all or a large number of goods and services in the economy. There are two measures generally used to measure overall price levels. The GDP Deflator measures the cost of goods and services produced in the economy relative to purchasing power. This differs from the Consumer Price Index (CPI), in that the GDP Deflator is not based on a fixed basket of goods and services. I will talk more about the Consumer Price Index in later articles.

Because inflation is the increase in the overall level of prices, it is linked to

money. Some say, "Inflation is too many dollars chasing too few goods." To better explain how this works, imagine a world that only has two goods: oranges picked from orange trees, and paper money printed by the government. In a year where there is a drought and oranges are scarce, we'd expect to see the price of oranges rise, as there will be quite a few dollars chasing very few oranges. Conversely, if there's a record crop of oranges, we'd expect to see the price of oranges fall, as orange sellers will need to reduce their prices in order to sell all of their inventories.

Just as the supply of oranges can rise or fall, so can the supply of money. If the government decides to print a lot of money, then dollars will become plentiful relative to oranges, just as in the drought situation. Thus inflation is caused by the amount of dollars rising relative to the amount of oranges.

Therefore, inflation is caused by a combination of four factors:

1. the money supply goes up
2. the supply of other goods goes down
3. the demand for money goes down
4. the demand for other goods goes up

Still, there is more to inflation. There is "price inflation and monetary inflation. Price inflation is when prices rise and it takes more money to buy the same item. Monetary inflation is when the money supply has increased which usually results in price inflation.

Money inflation is often seen as the government printing money (economics students may want to look up the related topic of seignior age or inflation tax). While the U.S. may not just print more money when needed, the federal government has tools available to increase the money supply.

So to conclude, when the government increases the money supply faster than the quantity of goods increases we have inflation. Interestingly, as the supply of goods and services increase, the money supply has to increase as well or else price will actually decline.

**Follow our "Economy
and You" Series on
our WordPress Blog!**

[www.WiStateTreasury.
wordpress.com](http://www.WiStateTreasury.wordpress.com)



Ask OST: Why Do You Need My SSN?

By Kelly Olmsted
Unclaimed Property Examiner

There are two main reasons why we ask you to provide evidence of your social security number (SSN) when submitting a claim.

First, many times holders will include the owner's SSN with the information they give us when they report the funds to us. This gives us an easy way to match you up to your lost funds – particularly when the previous address is missing or incomplete.

Second, we do report to the IRS at the end of the year, so

if the funds you received from us are taxable you will get a 1099-DIV, 1099-INT or a 1099-B in the mail at tax time.

Funds that are taxable can include interest on savings accounts, dividends or proceeds from the sale of stock and mutual funds. Please check with us if you have questions about whether you will receive a 1099.

Because of the fast tracking option for claiming your money, our website asks you to input your social security number. If the claim is less than \$1,000 and the social security number you give us matches what we have here in the office,

your claim could be fast tracked. What does that mean? It means you will get a check within 10 business days rather than the 6 weeks or more it *sometimes* takes to examine the claims and issue the check.

Our website is safe and secure if you are worried about giving us your SSN. But, remember, at some point we will need your number to verify you are the rightful owner of the property you are claiming.

Visit
www.statetreasury.wi.gov
today!

**“IF THE CLAIM IS
LESS THAN
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TRACKED”**

Family Savings a Key to Reaching College

With a variety of paths children can take to get to college, a recent study shows that success may be linked to starting early in the family.

Researchers at Washington University in St. Louis have been looking at the connections between saving and college success.

They found that among youth who expected to graduate from a four-year college, those with a savings account in their name were approximately six times more likely to attend college than those with no account.

“There is evidence that the positive effect of savings may be more than economic—assets are related to changing the college expectations of parents and children,” said Margaret Clancy, a policy director at the university.

“This is a powerful concept,” added Jim DiUlio, director of Wisconsin’s 529 College Savings Program. “We all save to pay for college expenses, but the act of saving also plants the seeds for the long-term motivation to get there.”

Most students today pay for higher education using a combination of resources. Financial aid in the form of low-interest loans, as well as scholarships, grants, and part-time jobs fill in the gaps when savings are short. This recent research, however, shows savings have an added benefit.

Wisconsin’s two college savings plans—*EdVest* and *Tomorrow’s Scholar*—are among the 80 plans offered in the U.S., under section 529 of the tax code. In addition to a variety of investment choices, these plans also offer tax-free growth on the savings when used for higher education ex-

penses such as tuition, room and board, and other fees.

In addition, states often offer additional tax benefits. Both of Wisconsin’s plans allow a deduction of up to \$3,000 per child per year on state tax returns. Grandparents, aunts, and uncles may also contribute and claim deductions for the same child. “The rules are family-friendly,” DiUlio said, “and even allow balances to be transferred among family members if a student decides not to attend college right away.”

The deadline to receive the tax break for additions to a new or existing account is the end of the year. While taxpayers have until April to file returns, college savings transactions must be postmarked by December 31. For more information, contact the 24/7 call center at 1-888-338-3789 or visit www.edvest.com.



Treasury Notes

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Kurt Schuller

Wisconsin Unclaimed
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EdVest, Wisconsin's
College Savings Plan

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TheWISateTreasury

The State Treasurer is tasked with managing nearly \$400 million in Unclaimed Property and is also a Commissioner on the Board of Commissioners of Public Lands. He is also an avid promoter of Wisconsin's College Savings Plans and the Local Government Investment Pool.

Unclaimed Property: The office maintains custody and records for all property received under the uniform unclaimed property act and general escheat laws. Those with unclaimed property submit proper paperwork and examiners work to get their money back to them as quickly as possible.

Wisconsin's "529" College Savings Plan: Known as EdVest. The funds are managed by Wells Fargo Funds Management, LLC. You can open an account on behalf of a designated beneficiary and the earnings will grow state and federal tax free until the time the beneficiary is ready to continue their post-secondary education including two and four-year colleges, technical, vocational, and graduate schools. Wisconsin residents can claim up to a \$3,000 credit on state taxes per account.

The Local Government Investment Pool: This program allows local government entities to pool funds with state funds which are then invested by the State of Wisconsin Investment Board. Funds deposited in the pool are available for withdrawal on one day's notice and without penalty on interest earnings. Interest is credited to the local government accounts monthly. Average daily balance in the pool now exceeds \$3.1 billion.

For questions about "Treasury Notes", please email Ron Giordan, Communications Director at ron.giordan@wisconsin.gov or call Ron at 608-266-5757.

Travelling to Northern WI

There are always looks of amazement or bewilderment when we set-up our Unclaimed Property Booth anywhere north of Wausau. The first question is always "What are you guys doing way up here?" followed by "Why would I have any missing money?"

The best part of my job is letting someone know they do have unclaimed money and that if they file the claim right there at the booth, they could get their money back within a month. It what we do best...return money!



At the Bayfield Apple Festival



In Minocqua on the way to Bayfield



Fall colors on Highway 2 into Ashland